



*VIRGINIA DEPARTMENT
OF AGRICULTURE AND
CONSUMER SERVICES*

Virginia Low Pathogenic Avian Influenza Indemnification Program

General Information

The 2003 Appropriations Act passed by the Virginia General Assembly and signed by Governor Mark Warner included an appropriation of \$1,500,000 in fiscal year 2003 - 2004 to be used to pay indemnity to contract poultry growers and independent table egg producers for losses associated with the low pathogenic avian influenza (AI) outbreak in 2002. Virginia poultry growers, the Virginia Poultry Federation, the Virginia Farm Bureau, the Virginia Agribusiness Council, and Virginia poultry companies have worked with the Virginia Department of Agriculture and Consumer Services (VDACS) to develop a methodology to identify eligible participants, compute losses, verify those losses, and process indemnification payments.

Together, the poultry industry and VDACS have determined that the primary losses that have not been previously reimbursed by the United States Department of Agriculture (USDA) are income lost as a result of:

- Downtime due to lack of replacement flocks;
- Downtime required to lift farm quarantines;
- Flocks marketed early;
- Flocks marketed under controlled slaughter, and
- Loss of table egg laying flocks infected with AI and eggs that were destroyed for egg producers.

Downtime losses will be computed using the historical average daily income for a grower multiplied by the number of days exceeding the typical repopulation period (delivery dates for meat birds and production dates for breeder flocks) for a grower. Indemnification for downtime will only be considered if the downtime period (days exceeding the normal repopulation cycle) is greater than four days. Any period less than five days will be considered a normal fluctuation in repopulating a flock and not eligible for indemnification.

Finally, due to a finite amount of funding (\$1,500,000), only a percentage of each claim can be paid to each grower. The percentage will be calculated after all valid claims have been received and prior to processing. Preliminary estimates show that the payout percentage could be between 25% - 30% of actual losses for contract growers.

Independent Table Egg producers will be reimbursed for the difference between the actual amount of losses for infected avian influenza flocks and table eggs that were destroyed and the amount reimbursed by the Federal USDA Indemnity program. The value of the avian influenza infected flocks and table eggs will be based on the USDA established values for these flocks and eggs. This reimbursement amount (25% of actual losses) has been established by the

Virginia Department of Agriculture and Consumer Services based on input from the Virginia Avian Influenza Indemnity Work Group and the amount of funding available.

Claim loss information is to be completed on the attached form and verified by a representative of the applicable poultry company.

Grower Application Statement

I accept the payment criteria and terms of this program and state that all information included on this form is accurate and correct to the best of my knowledge. I also acknowledge that all non-proprietary information, including the amount of indemnification received, may be subject to release as public information under the Virginia Freedom of Information Act (FOIA).

Signature: _____ Date: _____

Grower Name: _____ Farm Name: _____

Address: _____ Phone Number: _____

Avian Influenza indemnification payments by the Commonwealth of Virginia are subject to Federal and State income taxes which are the responsibility of the party receiving the funds. An IRS Form 1099 MISC will be sent out in accordance with IRS regulations.

NOTE: Applications are due by Friday, September 19, 2003, 4:00 PM. Your claim will not be processed unless all three forms (Grower Acceptance Form, Loss Calculation Form, and Substitute W-9) are properly completed and received at the Virginia Department of Agriculture and Consumer Services' Harrisonburg Laboratory and Office* by this date and time.

*116 Reservoir Street,
Harrisonburg, VA 22801
Phone: 540.434.3897 (Call for Directions Only)



*VIRGINIA DEPARTMENT
OF AGRICULTURE AND
CONSUMER SERVICES*

Virginia Low Pathogenic Avian Influenza Indemnification Program

Indemnification Calculations

Downtime (Please round all calculations to the nearest dollar)

A. *Historical annual income from affected poultry operations: (Provided to the grower by the poultry company)	
B. Divided by 365 (To calculate average daily income):	
C. Number of Days of lost production (from next page):	
D. Amount of Loss (B x C) due to downtime: Base for calculating indemnification payment.	
E. Less: Other related Company Indemnification (NOT Federal Payments) to mitigate or reduce short-term losses (IF ANY):	
F. Net Loss eligible for Virginia Indemnification (D minus E):	

Special Marketing

G. Flock Marketed Early or Control Marketed Expected Flock Payment (from history)	
H. Actual Flock Payment	
I. Amount of Loss (G minus H) Base for calculating indemnification payment	

* Name of applicable poultry company: _____

Period for which the annual income was calculated: _____

Days of lost production related to the Avian Influenza epidemic

Only the three production cycles immediately following depopulation will be considered.

<u>Production Cycle</u>	<u>Downtime days in excess of usual downtime between flocks.</u>	<u>Total Number of Downtime Days **</u>
Immediately following depopulation		
Second Cycle		
Third Cycle		

Indemnification for downtime will only be considered if the number of days in excess of the normal repopulation period is greater than four. Four days and less is considered a normal repopulation fluctuation and will not be considered for indemnification.

** Include in Indemnification Calculation Table - Line C (Page 3)

Table Egg Producers

<u>Description of Loss</u>	<u>Amount</u>
A. Number of infected birds destroyed:	
B. Value of infected birds destroyed:	
C. USDA Federal Indemnity Compensation:	
D. Net Loss for infected birds destroyed (B minus C):	
E. Number of eggs destroyed:	
F. Value of eggs destroyed:	
G. USDA Federal Indemnity Compensation:	
H. Net loss for eggs destroyed (F minus G):	
Total eligible losses (D plus H):	

Applicable Company Confidentiality and Verification Statements

_____ (Company Name) is providing this proprietary information that is considered by us as including trade secret data to the Virginia Department of Agriculture and Consumer Services for usage in the payment of the Virginia Avian Influenza Indemnity funds. This information is furnished with the understanding and on the condition that it remains confidential as specified in Section 3.1-14.B-2, Code of Virginia.

I verify that the above information is accurate and consistent with records maintained by us for this grower.

Signature: _____ Date: _____

Name: _____ Company Name: _____

Position within the Company: _____

NOTE: Applications are due by Friday, September 19, 2003, 4:00 PM. Claims will not be processed unless all three forms (Grower Acceptance Form, Loss Calculations, and Substitute W-9) are received by this date and time.

VDACS Use Only:

Receipt:

Claim Number from Log Sheet: _____

Claimant Name: _____

Date Stamp Here:

Documents Received:

Grower Application Statement

Calculation Sheet and Company Verification Statement

Completed Substitute IRS W-9 Form

Received By: _____

Approval:

I approve this claim for payment. All application information is complete including substitute W-9 information.

Signature: _____

Date: _____

Indemnification Payment Amount:

\$

Input:

Keyed by:

Initials: _____

Date: _____

Virginia Avian Influenza Indemnification Program

VIRGINIA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

**FINANCE OFFICE - INFORMATION RETURNS REPORTING
P. O. BOX 1163, SUITE 1109, RICHMOND, VA 23218-1163**

REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION Substitute Form W-9

Please return this form along with your Avian Influenza claim form.

**Your Claim will NOT be processed unless accompanied
by a completed version of this form.**

Each person or organization doing business with the Commonwealth of Virginia must provide the following information.

Check Only One:	Social Security Number	Employer Identification Number
<input type="checkbox"/> Individual	_____	_____
<input type="checkbox"/> Sole Proprietor	_____	and _____
<input type="checkbox"/> Partnership	_____	_____
<input type="checkbox"/> Limited Liability Corporation	_____	_____
<input type="checkbox"/> Tax-Exempt Non-Profit Organization	_____	_____
<input type="checkbox"/> Corporation (specify if medical or legal)	<input type="checkbox"/> Other, please specify: _____	_____

Enter the following:

Legal name: _____

Trade Name: _____

Business Location Address: _____

Contact Person: _____ Telephone Number: _____

Please answer the following questions:

≡Is your organization (association, club, religious, charitable, educational, or other group) tax exempt under IRS Code Section 501(a) or 501(c)(3)? YES ___ NO ___

Certification: Under penalties of perjury, I certify that:

(1) The number(s) shown on this form is my correct taxpayer identification number(s) [or I am waiting for a number to be issued to me], and (2) The organization entity and all other information is accurate, and (3) I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest and dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

You must cross out item (3) above if the IRS has notified you that you are currently subject to backup withholding because of under reporting interest or dividends on your tax return.

Signature: _____ Date: _____